



G-RESOURCES

(Incorporated in Bermuda with limited liability)

Stock Code: 1051



2020

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT



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ABOUT THIS REPORT

This is the fifth stand-alone Environmental, Social and Governance (“ESG”) Report of G-Resources Group Limited (the “Company”) and its subsidiaries (collectively the “Group”). The Group is engaged in financial services, money lending, principal investment and real property businesses. The report presents our management approach on and the performance of environmental and social aspects. This report should be read in conjunction with our annual report. For corporate governance section, please refer to pages 23–36 of our annual report for the year ended 31 December 2020.

The board of director(s) (“Board”) of the Company confirms that it has reviewed and approved the report which, to the best of its knowledge, addresses all material topics related to the Group’s operations and fairly presents the Group’s performance on each topic.

Reporting Guideline

This report is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report is also available in Chinese. In case of any discrepancy between the meanings conveyed by the two versions, the English version shall prevail. The electronic version is released on websites of both the Stock Exchange and the Company.

Reporting Period and Scope

The report covers all operations of the Group and presents information relevant to the ESG management approach and performance for the financial year from 1 January to 31 December 2020 (the “Year”).

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ESG MANAGEMENT APPROACH

The doctrine of GREAT, namely Growth, Respect, Excellence, Action and Transparency, forms the pillars of our proper ESG management. The Board shoulders the ultimate responsibility for overseeing the Company's environmental performance, and the management team is responsible for day-to-day management of various aspects of ESG issues.



GROWTH in value for all our stakeholders



RESPECT for our people, our communities and for all stakeholders



EXCELLENCE in everything we do



ACTION to deliver on our commitments



TRANSPARENCY openness, honesty and good governance

We strive to embed sustainability into our decision-making process and corporate strategies in order to mitigate any environmental and social impacts we bring to the community.

As a responsible financial services company, protection of data privacy and security of our customers is our foremost task and first priority in terms of managing ESG issues. We ensure quality services are delivered and the highest standards of service responsibility are upheld. Through implementing a range of stringent measures and policies, we also safeguard intellectual property rights and meet the needs of our business partners.

Building a team of dedicated and satisfied individuals, we strive to ensure the rights and benefits of our employees are safeguarded. In addition, we do our best to provide them with a healthy and safe working environment where they can develop themselves and thrive with the Company.

While the Company's environmental impacts are relatively insignificant due to the office-based nature of its business, we remain cautious to potential environmental risks through reinforcing our environmental management efforts as well as to review and improve our performance periodically.





Stakeholder Engagement

Collaborating with stakeholders and taking their opinion genuinely are essential for the Group to identify ESG risks and opportunities and bring about the best ESG performance. We regularly engage with both internal and external stakeholders including employees, investors and shareholders, the government, clients and community through various channels. The table below outlines their concerned topics and the ways we engage with them.

STAKEHOLDERS	ISSUES	ENGAGEMENT CHANNELS
Investors and Shareholders	<ul style="list-style-type: none"> • Corporate governance • Operational risk • Business operations • Disclosure 	<ul style="list-style-type: none"> • Investor conferences and roadshows • Shareholders' meetings • Financial reports and press releases • ESG report
Employees	<ul style="list-style-type: none"> • Training and development • Remuneration • Occupational health and safety 	<ul style="list-style-type: none"> • Whistleblowing policy • Feedback of training workshops • Remuneration policies • Annual reviews
The Government	<ul style="list-style-type: none"> • Taxation compliance • Employee protection • Business ethics 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Active response to government policy • Ongoing communication with relevant government departments
Clients	<ul style="list-style-type: none"> • Data privacy 	<ul style="list-style-type: none"> • Company's website • Feedback from front-line employees
Community	<ul style="list-style-type: none"> • Helping people in need and poverty relief 	<ul style="list-style-type: none"> • Support charity organisations in the relevant field



A. ENVIRONMENTAL

Due to its office-based business nature, the Company's operation does not involve any direct energy-intensive production processes. Nonetheless, it spares no effort in mitigating the adverse impacts its operation imposes to the environment and operating sustainably. We pay close attention to environmental and ethical perspectives such as managing our use of resources and emission reduction throughout our entire business operations. Through educating employees via providing various trainings, we aim to encourage them to actively play their role in environmental protection.

In 2020, the Company strictly complied with all environmental-related laws and regulations. We were not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

A1. Emissions

The emissions generated by the Company's operations are all indirect carbon emissions, from the consumption of purchased electricity for office use. In 2020, the total greenhouse gas ("GHG") emissions were approximately 121.13 tonnes of carbon dioxide equivalent ("tCO₂e") and the intensity was 0.002 tCO₂e per thousand USD revenue (2019: 131.69 tCO₂e and 0.005 tCO₂e per thousand USD revenue).

No material hazardous nor non-hazardous waste is generated as our operations are office-based in nature. Even the amount of waste generated is minimal, the Company strives for waste reduction at source through encouraging waste recycling and management. As part of our green office initiatives, wastepaper, aluminum cans and plastic waste are sorted for recycling. We place recycling bins in the office, including placing paper recycling bins next to each copier and printer. Employees are asked to dispose waste by classification. The collected classified waste is then transferred to the waste recycling station for further sorting. Obsolete printers, used toner or ink cartridges are sent to suppliers or recyclers for recycling.

During the Year, the Company attained the basic level of Wastewi\$e Certificate under the Hong Kong Green Organisation Certification ("HKGOC"), recognising the Company's effort to strive for continuous improvement in avoiding and reducing waste generation in daily operations. This year, we participated in the Green Low Carbon Day organised by the Community Chest, aiming to motivate employees to use public transportation to reduce GHG emissions and enhance their awareness of environmental protection.

The Wastewi\$e Certificate comprises three key categories of measures that will benefit the environment:

1. Waste Avoidance & Reduction Measures
2. Collection & Recycling of Recyclable Materials
3. Buy Recycled Products



減廢證書
Wastewi\$e
—Certificate—





A2. Use of Resources

The Company consumes electricity and water in the course of its daily operations. During the Year, total energy consumption in the form of electricity was approximately 153,324 kWh, with total energy intensity of 0.010 Gigajoules (“GJ”) per thousand USD revenue (2019: 166,693 kWh and 0.022 GJ per thousand USD revenue).

The total water consumption of the Company was 195 m³ and the water intensity was 0.004 m³ per thousand USD revenue (2019: 214 m³ and 0.008 m³ per thousand USD revenue, water consumption in 2019 was re-stated due to the inclusion of water consumption of a subsidiary). During the Year, the Company did not have any issue in sourcing water that is fit for the purpose. Our operations do not involve use of any packaging materials. As a stepped-up measure to resources conservation, we purchase paper, toilet paper and tissues made from recycled resources and use recycled toner cartridges as much as possible.

A3. Environment and Natural Resources

Green Office Initiatives – Let’s GO

The Company has been proactive in creating an eco-friendly and sustainable workplace. We have been taking part in “Let’s GO”, which is a green office certification scheme serving to incorporate the concept of energy and resources conservation into daily operations through a range of initiatives and actions.



Lighting

- Adopt energy-efficient LED lighting system
- Shut off or reduce use of lighting during lunch breaks unless it is necessary for operations



Air Conditioning

- Maintain average room temperature at 25°C–27°C
- Switch off air conditioning when not in use
- Install solar film on windows to reduce cooling costs



Office Equipment

- Adopt energy-efficient printers and refrigerators
- Lower the brightness and disable the use of screensavers on desktop
- Turn off the office appliances when not in use

Energy conservation initiatives



Paper

- Use electronic equipment (e.g. tablets and projectors) to replace printouts
- Use Forest Stewardship Council (FSC) certified paper
- Reuse envelopes for internal mailing
- Set double-side printing as default



Waste

- Recycle paper, obsolete printers and used toner cartridges
- Collected 353 plastic bottles, 117 beverage cartons and 373 aluminum cans for recycling
- Install water purifiers to reduce purchase of bottled water
- Provide sufficient reusable utensils to reduce disposable waste



Water

- Encourage conservation of water resources
- Ensure that the water taps are locked after each use

Resources conservation initiatives

B. Social

Our employees are the greatest strength of our long-term success. Taking a “people-oriented” approach, the Company strives to provide its employees with a healthy, safe and diversified working environment. During the Year, we strictly complied with all relevant laws and regulations in Hong Kong. Hiring child or forced labour is strictly prohibited in the Company.

B1. Employment

Building a talented and competent team is crucial to the development of the Company. We ensure fair recruitment and promotion processes that are solely based on merit, work performance and professional experience. Our recruitment advertisements are also prohibited to contain any biased requirements.

The Company attaches great importance to nurturing a diverse and inclusive workplace for our employees. To this end, we have zero tolerance for any form of discrimination against one’s age, gender, marital status, ethnicity, religion and disability. Any reported cases of harassment and prejudice will be subject to thorough investigation. Disciplinary actions are taken against serious offenders.





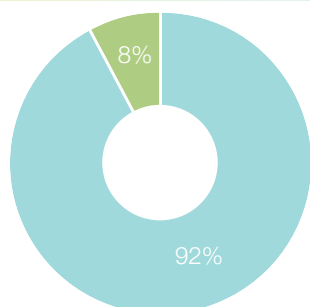
We believe that enjoyment in work can bring satisfaction and drives motivation. Therefore, the Company regularly evaluates and fine tune its human resources (“HR”) management policies, including appraisal, remuneration, career development and welfare policies, as an important means to retain and attract talents. The performance evaluation and promotion system are set to allow us to assess and appraise our employees’ personal qualities and work performance so that they can give full play to their potential.

During the Year, the Company did not contravene any relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Employee Composition

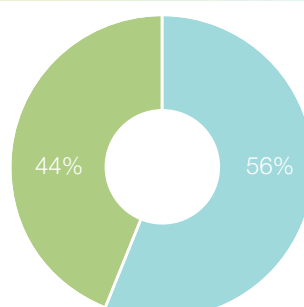
As at 31 December 2020, the Company had a total of 64 employees in Hong Kong and the ratio of male to female was about 6:4, 56% of whom were aged between 31 and 50. Approximately 92% of the Company’s employees were general staff, and approximately 8% were management. In terms of education profile, about 66% of employees had degree level or higher qualifications.

Function Profile



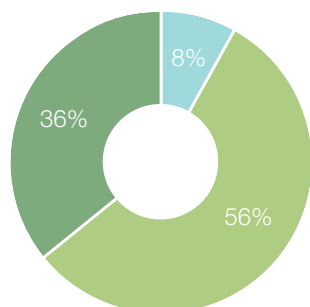
● General Staff ● Management

Gender Profile



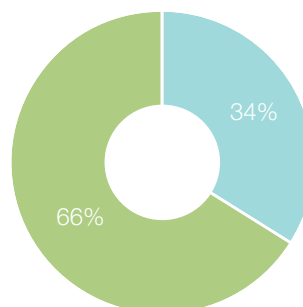
● Female ● Male

Age Profile



● <31 ● 31-50 ● >50

Education Profile



● Below degree ● Degree or above



Employee Welfare

Attractive remuneration packages and welfare benefits such as mandatory provident fund, paid sick leave, insurance, maternity leave, paternity leave, marriage leave and compassionate leave are provided. These are reviewed and revised based on the latest regulations and laws with consideration of regular internal monitoring procedures.

Through deploying a digitised attendance system, employees' working hours and rest days are managed effectively to maintain work-life balance across the Company. Over-time work arrangement is enacted on a fully voluntary basis with meal and transportation subsidies provided to support employees who need to work over-time.

Employee Communication

The Company is dedicated to sustaining a close and caring relationship with its employees. In response to the COVID-19 pandemic, this year we arranged catering services for lunches for our employees during festivals instead of normal lunch gathering. This allows them to maintain efficient social distancing while helping to enhance their social bonds with each other. Moreover, we advocate work-life balance and organise regular family activities with employees. During the Year, we engaged in "Run for Survival 2020 Virtual Run" organised by Ocean Park Conservation Foundation, Hong Kong, serving to enhance their awareness on environmental sustainability and understanding in marine wildlife conservation.

Through email, regular meetings and other channels, the Company devotes efforts in understanding employees' views and concerns as well as developing a mutual communication platform so that they feel cared and valued in working with us.

B2. Health and Safety

As a top priority, the Company is committed to nurturing a healthy and safe working environment to its employees.

In view of the unprecedented COVID-19 pandemic, the Company has implemented special work arrangement including enforcing work from home policy, encouraging online meetings and lectures and enhancing sanitising and cleaning in offices in order to lower employees' chance of catching the virus.



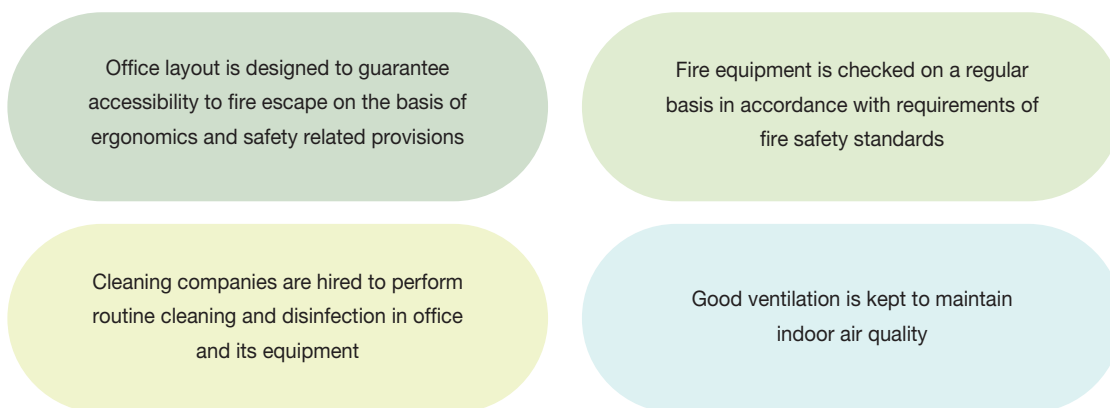


To battle occupational health risk, we regularly review internal policies related to workplace environment and safety, ensuring that our daily operations are in full compliance with the applicable laws and regulations. It is required that all occupational incidents must be reported to the Company. Individual assessments will then be carried out in accordance with internal guidelines and standard procedures. Moreover, to provide the best protection for all employees, they are covered by tailored insurance policy scheme.

During the Year, we provided training courses on prevention of muscle injury for employees to lower the chance of them getting hurt during work. On the other hand, we are pleased to have fire service department to give us an online talk regarding fire safety in workplace, with an aim to raise employees' awareness in this aspect.

The Company has been a member of the Green Cross Group since 2019, enabling it to strive for excellence in occupational safety and health through benchmarking. We have also adopted a series of safety measures to build a healthy and safe work environment.

During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to providing a safe working environment and protection of employees from occupational hazards. There was no reported case regarding work-related fatalities or occupational illness.



Initiatives in maintaining an occupationally safe workplace



B3. Development and Training

The Company believes that the competency and capability of our employees are essential to the long-term success of us. To this end, we invest considerably in training and education and provide employees with various opportunities in personal and professional development. Our HR Department is responsible for establishing an annual training plan through collaboration with different department heads. The quality and effectiveness of the training schemes are carefully reviewed and evaluated before its launch.

Hong Kong Securities and Investment Institutes

Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of Chartered Secretaries

The Hong Kong Institute of Directors

Examples of professional institutes where employees can attend courses

To encourage employees to engage in courses organised by professional institutes, we offer subsidies to them. We hope the courses would enhance their professional expertise and boost their performances at work. In addition, we regularly invite professional bodies and suppliers to share their views on the updated industry trends and developments as well as latest laws and regulations. The collaboration with different parties can also help the exchange of ideas and market insights. Equipping staffs with vital skills and knowledge are important to maintain the Company's competitiveness in the market.

Showing our recognition to employees with outstanding performance, our management team carry out annual reviews to evaluate the performance of individual employees. To motivate employees to pursue their career goals and appreciate their efforts, those who fulfil specific requirements are rewarded. We have also set up a performance assessment mechanism consisting of probationary and annual evaluation for retaining talents. Employees' work quality and ability are assessed by their immediate supervisors and the results form the basis for salary adjustment, promotion, position transfer, termination, disciplinary action or training provision.

	Average Training Hours		Percentage of Employees Trained	
	2020	2019	2020	2019
By Gender				
Male	8	8	97%	97%
Female	8	7	89%	90%
By Function				
Management	8	10	100%	100%
General Staff	8	7	93%	93%





B4. Labour Standards

The HR Department takes up the responsibility to protect employees' rights. Following strict guidelines issued by the HR Department, our recruitment policy prohibits all forms of child or forced labour. Identification documents of new employees are checked to ensure that they are aged 18 or above. Labour contracts are formed based on mutual agreement between the Company and employees.

During the year, the Company did not contravene any relevant laws and regulations that have a significant impact on the Company relating to prevention of any child and forced labour. The Company did not identify any incidents relating to the use of child or forced labour.

B5. Supply Chain Management

The Company strives to maintain close communication and collaboration with suppliers. Due to the nature of our business operations, we do not have many suppliers. Yet, we maintain a two-way dialogue with suppliers on ESG related issues. Selection of suppliers of office amenities are based on specific evaluation criteria including product and service quality, reliability and social responsibility.

B6. Service Responsibility

The Company is committed to delivering quality products and services to its customers. We strictly prohibit any infringement of intellectual property rights by adopting only products that are procured from legitimate sources.

In order to provide financial services to customers at the highest standards and maintain smooth transactions, the Company has in place a systematic emergency plan to avoid any loss to clients if there is any system failures or delays. Moreover, regular emergency drills are conducted to improve the existing systems so that our clients can experience better services.

Maintaining a decent and long-lasting relationship with our customers is vital to our corporate image and smooth business operation. To this end, we have a stringent procedure to handle complaints from our clients, as stipulated in our Internal Control and Operation Manual. Similarly, a grievance reporting channel is opened for our staffs which enable them to express their opinions over our actions. All verbal complaints from clients are handled by responsible operators with a record kept, whereas written complaints are processed and stored by responsible persons. The responsible persons take up the role to report written complaints to the Board and process them fairly and efficiently. Investigation of all cases is carried out promptly if the complaint is related to illegal misconduct. All information received from complainants is kept confidential.

Our business does not involve product labelling. Health and safety of products are not significant issues in our operations. During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to advertising related to services provided.



Data Privacy Protection

The Company is dedicated to securing data security and privacy both of itself and its business partners. Data privacy is of utmost importance as our daily operations involve the processing of enormous data from diversified clients. Complying with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), we strive to ensure that all customer data is protected from improper disclosures, misuse, loss, damage or corruption.

We continue to adopt a comprehensive set of codes of conduct covering all aspects of operation and services to enhance client privacy, eliminating the risk of client data leakage. Relevant training courses are organised for employees regularly, with guidelines provided to help them avoid any unauthorised access, copying, dissemination or disclosure of confidential information, including client identities and transaction records.

During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to privacy matters related to services provided.

B7. Anti-corruption

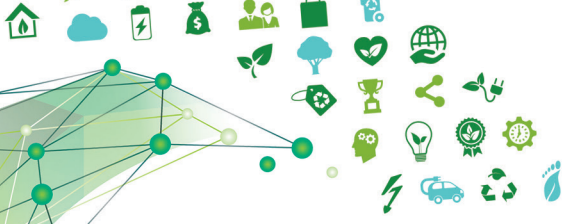
Honesty and integrity are the values upheld by the Company. As such, we spare no effort to establish a working environment where any unethical conducts including bribery, fraud and corruption are strictly prohibited. Our employees are required to strictly comply with all relevant laws and regulations, including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). They should also follow all internal and external codes of conduct regarding anti-corruption. They are prohibited to engage in all inappropriate behaviours or malpractices which may compromise a healthy and lawful workplace as well as the interests of our stakeholders.

To identify and investigate unethical behaviours effectively, a whistleblowing policy is set up by the Audit Committee of the Company, encouraging employees, customers, suppliers and other stakeholders of the Group to raise concerns and report any suspected misconducts related to corruption to the Company in a confidential manner. If the case is found to involve criminal offence, it is referred to the Independent Commission Against Corruption (“ICAC”) for further investigation.

This year, we invited guest speakers from ICAC to give a talk for our colleagues on business ethics, serving as anti-corruption training provided by the Company.

During the Year, the Company was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering and was not involved in any corruption cases.





B8. Community Involvement

The Company is dedicated to demonstrating our social responsibility in places where we have operations. Recognising that we are part of the community, we actively participate in various voluntary initiatives and charitable donations. Our employees are also encouraged to actively engage in voluntary activities to reinforce bonding with the society.

During the year, we showed our supports to various charitable organisations including The Community Chest of Hong Kong, The Hong Kong Federation of Handicapped Youth and Ocean Park Conservation Foundation, Hong Kong. Looking ahead, the Company will continue to refine our strategies in taking its corporate social responsibility for building a more connected society.